

RECORD VERSION

STATEMENT BY

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Introduction

Chairman Bartlett, Congressman Reyes, distinguished Members of the Subcommittee on Air and Land Forces, I thank you for this opportunity to discuss the Fiscal Year 2012 (FY12) budget request as it pertains to Army Acquisition and Modernization. I am pleased to represent U.S. Army leadership, members of the Army Acquisition workforce, and the more than one million courageous men and women in uniform who have deployed to combat over the past nine-plus years, and who have relied on us to provide them with world-class weapon systems and equipment to ensure mission success. On behalf of our Secretary, the Honorable John McHugh and our Chief of Staff, General George Casey, I would like to take this opportunity to thank the members of this committee for your steadfast support and shared commitment in this endeavor.

Overview of Army Modernization

America's Army continues to face a broad array of complex challenges as the Nation approaches the start of the second decade of a long-term struggle against a global extremist network. The Army's responsibility remains dual-focused: we must achieve success in Iraq and Afghanistan, while also ensuring we are prepared for unexpected contingencies or future national security challenges across the full spectrum of operations. Recognizing that this era of persistent conflict, as it is characterized by General Casey, may very well require frequent and continuous commitment by the United States Army and our sister services.

For the latter half of the last century, the United States Army faced a relatively certain future characterized by straightforward strategic and operational environments; obvious enemies; clearly identifiable threats to

vital national interests; and adequate resources required to man and equip the Force. Under these circumstances, a tiered readiness approach and an equipping strategy that made large purchasing commitments based on long-range goals made sense. Today's uncertain, dynamic strategic and operational environments, current political and fiscal realities, and the rapid pace of technology development have made these Cold War-era strategies no longer supportable.

We recognize the Army's strategy to equip the force in the 21st century must change to meet the challenges of this new strategic, operational, and fiscal environment. No longer can the Army pursue a transformational equipping strategy focused on "game-changing", "leap-ahead" technologies intended to revolutionize military operations and create conditions that force opponents to fight the way we want them to fight as we did at the turn of the century. To be successful in current and future environments, we require a 21st century strategy that takes a balanced and affordable approach to equipping our Force. This strategy, aligned with the Army Force Generation (ARFORGEN) model, will allow us to improve or maintain core capabilities; incrementally modernize to deliver new and improved capabilities; and integrate portfolios to align our equipment modernization communities, thereby enabling us to develop and field a versatile and affordable mix of equipment to allow Soldiers and units to succeed in full spectrum operations today and tomorrow to maintain our decisive advantage over any enemy we face.

ARFORGEN Equipping

ARFORGEN Equipping synchronizes the distribution of equipment to units in accordance with the ARFORGEN model. It focuses on providing capabilities required for anticipated missions to Soldiers in sufficient time and in sufficient quantities to enable them to prepare for

those missions. ARFORGEN equipping allows us to tailor capabilities and resources to relatively certain near-term mission requirements without committing to extended production runs or maintenance programs for equipment that may be outdated or no longer relevant in future increments.

Incremental Modernization

Incremental Modernization enables us to deliver new and improved capabilities to the Force by leveraging mature technologies, shortening development times, planning growth potential, and integrating increments of those capabilities to give us the greatest advantage in the future while hedging against uncertainty. Incremental modernization does not neglect existing equipment. In addition to expanding or improving capability by developing and fielding new technologies, the Army will continue to upgrade, improve, and recapitalize existing capabilities while simultaneously divesting those capabilities deemed redundant or no longer required. By modernizing in an incremental manner, instead of purchasing equipment in quantities large enough to equip the entire force, the Army is able to provide the most relevant versions of capabilities available to units prior to deployment; then equip subsequent units in the “Equip” and “Train/Ready” phases of ARFORGEN with newer and more relevant versions based on the capability provided and cost.

Integrated Portfolios

Integrated Portfolios, which the Army is still developing, will better align equipping stakeholders to achieve balance within and across capabilities required to execute the Army’s Operating Concept. Equipment portfolios support continuous assessment across capability development, requirements, resourcing, acquisition, distribution, use, and

divestiture. Each portfolio will have a strategy developed to provide context, outline objectives, methods, metrics and values against which to judge success, a description of required resources to execute the strategy over the life of the program, and a discussion of risk including operational impacts if portfolio capabilities are not met. Implementing these strategies will enable portfolio stakeholders to better assess current and proposed capabilities against requirements; fuse and align the modernization community to ensure integration across the separate requirements, acquisition, sustainment, and resourcing communities; and do so in an affordable manner. Continued Army examination and adjustment of our business processes will help us to meet equipping balance and affordability requirements.

The 2010 Army Modernization Strategy (AMS), published in April 2010, matched our overall modernization strategy to our strategic requirements. It described the ways and means to develop and field a versatile and affordable mix of the best equipment available to better enable Soldiers to succeed in current and future operational environments. As evolved, the Army Modernization Plan 2012 (ModPlan12) envisions action along four lines of effort:

- **Modernize:** Develop and acquire new equipment or improve / upgrade existing equipment to meet identified capability gaps and to maintain dominance in core capabilities.
- **Sustain:** Extend the useful life of existing equipment to close or avoid creating capability gaps through another ARFORGEN cycle and by divesting equipment providing little value.
- **Mitigate:** Procure mission-specific equipment for immediate capability needs.
- **Field:** Provide equipment to Soldiers and units in accordance with Army priorities and the ARFORGEN model to enable training, preparation, and employment for mission success.

The Army Modernization Plan 2012 (ModPlan12), which we anticipate being published in March of this year, supports the submission of the President's Budget Request for FY12 Research, Development, and Acquisition (RDA) funds and presents an overview of the Army's broader modernization strategy. The ModPlan12 incorporates lessons learned from almost a decade of conflict and provides details of what is required for developing, fielding and sustaining equipment in an affordable, incremental manner to ensure our Soldiers and units have the capabilities they need to be successful across the full-range of military operations today and into the future.

As our Nation continues to work its way back from a serious economic downturn and military spending faces greater scrutiny and constraint, the Army continues our ongoing efforts to restore balance to the Force, while not losing the momentum gained over the past decade. Recognizing that to do this the Army must change the way it develops and delivers the capabilities required to both win current wars while simultaneously preparing for future contingencies.

The Army is better equipped now than ever before; and, we must maintain our combat edge while we work to reconstitute and rebalance the Force, recognizing that even after the eventual drawdown of Forces in Iraq and Afghanistan the Army's long-standing National Security Requirements will remain.

For nearly a decade, the Army has been operating at a tremendous and persistent pace. The demand for forces stressed our supply during most of this period. The result was an Army out of balance, fully committed with little strategic flexibility to respond to other contingencies. The Army is seeing significant progress in our efforts to re-balance the Force, and with the continued support of Congress, we are funded to

largely meet our goals by the end of FY12. We have done this through successful implementation of a four-year plan centered on our imperatives. We continue to prepare forces for success in the current conflicts; reset returning units; and transform the Army, adapting to meet the demands of the second decade of the 21st century.

Capability Portfolio Review Process

We're all aware of the significant challenges we're facing in light of current fiscal constraints. We recognize we must reform our budget practices and assumptions and gain efficiencies wherever possible. And, I'm confident we're on the right path to do so.

Last February, Secretary of the Army McHugh directed the Under Secretary of the Army, Dr. Joseph Westphal and the VCSA to implement a Capability Portfolio Review (CPR) process for a one-year period. Our goal in conducting these reviews is twofold: first, to ensure that funds are programmed, budgeted and executed against validated requirements and cost- and risk-informed alternatives, with the near term objective to inform POM 13-17; secondly, we want to revalidate portfolios through an examination of Combatant Commanders operational needs, wartime lessons learned, the Army Force Generation model, emerging technologies, affordability, interest, and opportunity.

Through the CPR process, in less than a year, we've identified a number of areas where we're able to make changes and eliminate redundancies or outdated requirements. In fact, as part of the Department of Defense's reform agenda, the Army has proposed \$29 billion in savings over the next five years. The Army, per Secretary Gates' directive, will be allowed to reinvest this money in high priority capabilities and programs.

Army Priority Programs for Modernization

The Army has prioritized its materiel programs to focus on capabilities which give our Soldiers and units the decisive edge in full spectrum operations. While considering program cost and size, the emphasis is on capabilities critical to Army success and our ability to Network the Force; Deter and Defeat Hybrid Threats; and Protect and Empower Soldiers.

This next section outlines the Army's critical FY12 Priority Programs, providing an overview of the capability each program will provide our Soldiers, as well as a current programmatic status.

The Network

The Network represents the centerpiece of Army Modernization. Ultimately, it will connect Leaders and Soldiers at all levels, at every echelon of command, in any formation, and across the entire team—with the right information quickly and seamlessly. In doing so, it will make our various formations more lethal, faster, and survivable. It will literally redefine how we fight.

To work effectively, the Network must be a single, affordable, cost-effective network that will allow any system or application – whether developed by the Army, our Sister Services, Allies, or some other agency – to 'plug and play' using a common operating environment that ensures the systems and applications are interoperable and user-friendly from the start.

Today, the Army is past talking concepts. We are making the Network happen, delivering needed capability downrange as we speak. That said, there is still much to be done. In particular, we are very focused

on doing everything we can to get more network capability into theater—faster. And, the key to doing so is leveraging mature commercial technologies through integrated network ‘capability sets’ aligned against the ARFORGEN model. Instead of buying the full acquisition objective upfront, the incremental modernization strategy will enable the Army to purchase an initial ‘capability set’ and then subsequent sets every two years that reflect changes in technology.

Joint Tactical Radio System (JTRS)

JTRS is the Services' future deployable mobile communications family of radios. Its primary components are a Wideband Data Radio, Handheld Manpack Small Form Fit (HMS) Manpack (MP) and Rifleman Radio. JTRS uses Internet Protocol-based technology to provide network routing; embedded information assurance; and, with multiple channels, provide simultaneous exchange of voice, data, and video. The Wideband Data Radio component supports legacy waveforms (Single Channel Ground and Airborne Radio System (SINCGARS), Enhanced Position Location Reporting System (EPLRS), Ultra-High Frequency Satellite Communications (UHF SATCOM) and High Frequency (HF)) for backward compatibility with current force radios and leverages the Wideband Networking Waveform (WNW) and Soldier Radio Waveform (SRW) to meet tactical networking requirements.

HMS Man Pack and Rifleman Radio are the primary JTRS capability for battalion and below tactical operations. Both support the SRW waveform capability. HMS MP is a two-channel multiband, multimode communications system that supports not only SRW, but interoperates with legacy waveforms as part of its Increment 1 delivery (SINCGARS, UHF SATCOM). The Rifleman Radio is the dismounted Soldier capability that utilizes the SRW waveform to connect the Soldier to

the Leader. The system provides voice and individual location information, primarily serves the maneuver team formation, and provides a complimentary capability to the Nett Warrior-enabled Leader.

Warfighter Information Network-Tactical (WIN-T) Increment 1 and 2

WIN-T provides the broadband backbone communications for the tactical Army. WIN-T Increment 1 (formerly Joint Network Node) began fielding in 2004 to provide a satellite based Internet Protocol (IP) network down to battalion level. WIN-T Increment 2 begins fielding in FY12 to provide an initial On the Move (OTM) capability, extending down to company level for 65 select units, with larger throughput to battalion, brigade and division headquarters. WIN-T Increment 1 fields to 31 units in FY11 and the remaining 25 units in FY12. Increment 1 continues to upgrade the fleet to Ka band, exploiting the Wideband Global Satellite constellation rather than leased Ku band. Upgrades to Increment 1b occur in FY11-16 for interoperability with later WIN-T increment and strategic networks. WIN-T Increment 2 procures 8 BCTs/1 Division HQ and the training base in FY11 and upgrades 3 Fixed Regional Hub nodes to complete LRIP as it prepares for IOTE in FY12. Procurement of 9 BCTs/2 Division HQs is planned for FY12. Plans are being further refined to cascade WIN-T Increment 1 equipment, displaced by WIN-T Increment 2 fielding, to meet emerging requirements, including Homeland Security missions, force structure changes, and requirements not addressed in the initial procurement. WIN-T Increment 1 is post Milestone C. Full rate production status decision is pending Beyond Low Rate Initial Production (LRIP) report and Information Support Plan, followed by a Defense Acquisition Executive (DAE) decision. WIN-T Increment 2 reached Milestone C in Feb 2010, and goes to Initial Operational test and Evaluation (IOTE) in 3QFY11.

Joint Battle Command-Platforms (JBC-P)

JBC-P is a foundation for achieving information interoperability between Joint warfighting elements on current and future battlefields. As the next generation of Force XXI Battle Command Brigade and Below/Blue Force Tracking (FBCB2/BFT) technology, it will be the principal command and control system for the Army and Marine Corps at the brigade-and-below level, providing users access to the tactical information necessary to achieve information dominance on the battlefield. JBC-P consists of computer hardware and software integrated into tactical vehicles, aircraft, and provided to dismounted forces. The capability uses a product line approach to software development to save cost and promote a common architecture. Components include a core software module that provides common functionality required of all platforms and tailored software modules with unique capabilities for dismounted, vehicle, logistics, aviation, and command post elements. JBC-P software is designed for use over the Blue Force Tracking II transceiver and associated satellite networks, as well as ground-based networks. The new transceiver allows for a tenfold increase in data throughput. Other key enhancements include a redesigned, intuitive user interface and faster mapping software to quickly process and display critical graphics. It will be the primary provider and user of digital battle command and situational awareness across the spectrum of operations and will allow warfighters to more effectively and consistently communicate critical information over networks that connect the most distant and remote locations.

Distributed Common Ground System-Army (DCGS-A)

DCGS-A is the Army's component of the DoD Distributed Common Ground/Surface System family of systems. DCGS-A provides commanders from tactical company-level to Army Service Component

Command (ASCC)-level access to the Defense Intelligence Information Enterprise, and the tools required to leverage the entire National, Joint, Tactical, and Coalition Intelligence, Surveillance, and Reconnaissance (ISR) community to satisfy their information requirements. The Army is currently revising the DCGS-A acquisition strategy to comply with DoD's revised Information Technology Acquisition Process. This will ensure the program continues to develop enhanced analytic capabilities by exploiting emerging technologies and fielding these capabilities to the Force IAW the ARFORGEN process. The Army has incrementally fielded DCGS-A capabilities to deploying forces beginning in 2006. The program will reach Initial Operating Capability with the Army's first "cloud" architecture in Afghanistan in March 2011 and the Full Deployment Decision in 2QFY12.

Enhanced – Infantry Brigade Combat Team Increment 1 (E-IBCT)

The E-IBCT program was developed as an effort to accelerate iterative fielding of key network and sensor capabilities. Following an in-depth assessment of the E-IBCT program, the Army decided to continue Low-Rate Initial Production of two elements: the Small Unmanned Ground Vehicle (SUGV) and Network Integration Kit (NIK), and will transition the procurement of these systems to the respective Program Executive Offices. E-IBCT will be concluded as a program of record at the end of Low Rate Initial Production, a decision that carefully balances military utility, system performance, and affordability with the immediate needs of our warfighters. Phasing out the E-IBCT program supports the Army effort to collapse redundant and competing network strategies into a single path forward with programs of record that provide more capability, quicker, and to more formations. E-IBCT investment provided the infrastructure that will enable the Army to grow the tactical network capability, while providing an opportunity for both large and small scale industry to support the Army's tactical network strategy. The NIK is a necessary bridge solution

allowing the Army to continue evaluation and development of incorporated network technologies. Fielding of an additional brigade of NIK vehicles will allow the Army to continue to evaluate BCT communications capabilities and solutions. The E-IBCT program derived valuable information from warfighter evaluations regarding what network capabilities Soldiers need and how they will be used in today's dynamic, evolving combat environment. The Army will retain a fully operational brigade, located at Fort Bliss, Texas, with the mission of validating the operational relevancy of solutions and developing doctrine prior to fielding technologies to deploying forces to ensure proven capabilities reach the hands of our Soldiers.

Our path forward supports fielding of a robust networking capability package to Afghanistan in Fiscal Year 2013. For the time being we are focused on replicating the deployed network and troubleshooting integration issues as we continue to fill capability gaps in theater with Commercial Off the Shelf or "COTS" systems and ISR capabilities.

While the Network represents the bedrock of Army modernization; the reality is much of what we are trying to accomplish, in terms of improving the pace of Army acquisition to leverage both military development and private sector technologies, has application across the entire modernization program.

Ground Combat Vehicle

The Army's Combat Vehicle Modernization Strategy represents a holistic approach to the development of the Ground Combat Vehicle (GCV); replacement of the M113 Family of Vehicles; and the incremental modernization of the Bradley, Abrams, Paladin, and Stryker. Modernization imperatives across the fleet include improved protection,

mobility and sustainment, mitigation of existing Space, Weight and Power (SWaP) shortfalls and Network integration. The Army re-released the Request for Proposals (RFP) for the GCV on 30 November. The RFP focuses on the “Big 4” imperatives: Soldier protection; Soldier capacity (squad plus crew); Full Spectrum; and Timing (7 years to first production vehicle). Modular armor will allow commanders the option to add or adjust vehicle protection armor based on the threat environment. The GCV will be designed with the capacity for SWaP growth to incorporate future technologies as they mature. Industry proposals were received back on 21 January 2011, and we anticipate contract awards in 3QFY11.

Stryker (Double-V Hull)

In January 2010, in response to an Operational Needs Statement (ONS), the Army decided to pull forward the Double-V-Hull (DVH) existing technology from the Stryker Modernization program to increase the Stryker’s underbelly protection from Improvised Explosive Devices. To meet the goal of providing 150 Stryker DVHs in Afghanistan by June 2011, the Army is conducting concurrent testing and production. Live fire data from December 2010 testing, as well as initial Reliability, Availability and Maintainability (RAM) testing data, informed a 2 March 2011 Configuration Steering Board (CSB) that recommended to keep the initiative moving forward. While we are currently engaged in producing 450 DVH to support combat operations in Afghanistan, the Army has not made a decision regarding incorporating the DVH into future Stryker production, and we have just begun to assess the potential to retrofit DVH onto existing Stryker vehicles.

Paladin Integrated Management (PIM)

PIM is the Army's fire support modernization effort for the Paladin and Field Artillery Ammunition Supply Vehicle (FAASV) platforms to

address obsolescence and sustainment through the integration of Bradley and Future Combat Systems (FCS) common components resulting in an upgraded firing platform. PIM replaces the current M109A6 Paladin and M992A2 FAASV with a more robust platform incorporating Bradley common drive train and suspension components. Due to the Secretary of Defense's decision to cancel the FCS Manned Ground Vehicle's Non-Line of Sight-Cannon, the PIM program is now a priority modernization effort. The program has completed contractor testing at Government facilities, and is expected to be designated as an Acquisition Category I Major Defense Acquisition Program.

Kiowa Warrior (KW)

The Army requires a next generation capability to satisfy its armed aerial scout attack, reconnaissance and security mission requirements within the current and future combat environments. In April of 2009, the Secretary of the Army approved a strategy to reinvest in the OH-58D KW helicopter to address obsolescence and sustainment until a viable replacement is procured. The fully funded Cockpit And Sensor Upgrade Program (CASUP) addresses system and armament obsolescence, aircrew survivability and overall aircraft weight to improve the helicopter's performance and update its Aircraft Mission-Design Series (MDS) to OH-58F. The CASUP is not a Service Life Extension Program (SLEP) and does not zero time the airframes. First Unit Equipped for the OH-58F KW helicopter is forecasted for FY15. The CASUP is post-Milestone B, and has entered the Engineering and Manufacturing Development (EMD) phase of the program. Additionally, the Armed Aerial Scout is undergoing its Analysis of Alternatives (AoA). Emerging study results are scheduled for completion in February 2011, with the final Senior Advisory Group briefing to OSD to follow. The Armed Aerial Scout AoA Study Report is expected in April 2011.

Closing

In support of Army Acquisition and Modernization, the Army has submitted a Research, Development and Acquisition budget request of \$31.8B for FY12. We believe the proposed budget allocates resources appropriately between fielding advanced technologies in support of Soldiers currently in the fight and developing new technologies for the future. We are confident it will enable us to meet our intent to develop, field and sustain equipment in an affordable, incremental manner to ensure our Soldiers and units have the capabilities they need to succeed across the full spectrum of operations in this era of persistent conflict.

These continue to be challenging times for our Nation and for our military. That said, I assure the members of this committee – your Army’s senior leaders remain focused and working hard to address current challenges, while determining the needs of the Force for the future.

Mr. Chairman, members of the subcommittee, I thank you again for your steadfast and generous support of the outstanding men and women of the United States Army, Army Civilians and their Families. I look forward to your questions.